

### CPI's Bottom Line

In April 2005, the Center on Policy Initiatives (CPI) published a comparative analysis of California's largest cities entitled "The Bottom Line: Solutions for San Diego's Budget Crisis". This report included comparisons of San Diego's revenues, economic indicators, and expenditure levels, with the nine largest California cities. The report highlighted four principal findings, and four recommendations.

#### ***CPI Bottom Line – Principal Findings:***

1. The City of San Diego has an outdated general revenue tax structure.
2. The City of San Diego's general revenues have not benefited from overall economic growth.
3. \$279 million in revenue could be generated annually if the City of San Diego were to charge average California rates.
4. The provision of General Services has not kept pace with regional economic growth.

#### ***CPI Bottom Line – Recommendations:***

1. Create a public awareness campaign to inform residents and business on the role of city services and the need to raise funds for providing them.
2. Introduce ballot measures to raise taxes and fees at least to the average California level.
3. Raise revenues through fees that can be implemented through Council ordinances.
4. Prioritize expenditures based on overall needs, using departmental goals and productivity as benchmarks.

Its conclusion states that the study's results demonstrate that the City of San Diego is not generating enough revenues to keep pace with the increased demand for services from businesses and residents, and that the problem of revenue deficiency is pervasive at a structural level.